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# Wheat Marketing Quotas for 1956

The final decision on whether or not marketing quota controls will apply to wheat produced in 1956 will be made by wheat growers voting in a referendum on June 25.

The Secretary of Agriculture has proclaimed marketing quotas for 1956 as required by law. At least two-thirds of the eligible farmers voting in the referendum must approve quotas before they will continue in effect.

**If at least two-thirds of the votes are "yes"—**

1. Marketing quotas will continue in effect for each farm on which the wheat acreage is more than 15 acres in commercial wheat States.
2. Marketing quota penalties will apply on each bushel of any "excess" wheat produced on the individual farm.
3. Price support at a level between 75 and 90 percent of parity will be available to each farmer who complies with his farm wheat acreage allotment.

**If more than one-third of the votes are "no"—**

1. There will be no marketing quotas and no penalties for "excess" wheat.
2. Acreage allotments will remain in effect as the basis for price-support eligibility.
3. Price support, at 50 percent of parity as provided by law, will be available to farmers who comply with their wheat acreage allotments.

## **Price Support Levels**

The 1956-crop minimum national average price-support level, which will be available to eligible growers in commercial wheat States if quotas are approved, will be announced before the wheat referendum on June 25.

Under existing law, wheat price support for 1956 will be within a range of 75 to 90 percent of parity. Depending on the supply situation, it will probably be within the range of 75 to 82 percent of parity.

The shift to the new parity, as required by law, will start with the 1956 wheat crop. The downward adjustment is limited to 5 percent a year. For example, present wheat parity is \$2.51 a bushel. Based on this figure, the 5 percent adjustment would bring the parity figure down to about \$2.38 a bushel. The "75-to-90 percent" price-support level, if quotas are approved, and also the "50-percent" level if they are not approved, will be based on the adjusted or "transitional" parity.

## **Acreage Allotments**

The law requires that wheat acreage allotments be in effect every year unless the Secretary dispenses with allotments under the emergency powers of the law. Acreage allotments will, therefore, be in effect in 1956, even if growers disapprove marketing quotas.

Marketing quotas, which provide penalties for production on acreage in excess of the farm allotments, will be in effect only if wheat growers approve them in the referendum.

## **How the Program Works**

The national wheat acreage allotment for 1956 is 55 million acres—the same as for 1955—which is the minimum established by law.

The national wheat acreage allotment is allocated to States and the State allotment to counties according to the average wheat acreage in each State and county for the

10 years 1945-1954 with adjustments for abnormal weather and trends in acreage.

The county wheat acreage allotment is divided among the farms in the county, with each farm allotment based primarily on the farm's wheat history during the past 3 years. Other considerations are tillable acres on the farm, crop rotation practices, type of soil, and slope and lay of the land.

In general, each farm on which a wheat crop was grown for 1953, 1954, or 1955 will be assigned an acreage allotment. Marketing quotas are based on these acreage allotments. For a farm on which wheat will be seeded for the first time since July 1, 1952, the farmer must make a special application for a "new farm" allotment.

Marketing quotas will apply to all farms in the commercial wheat States with more than 15 acres of wheat, if quotas are approved in the June 25 referendum. A penalty of 45 percent of the parity price will be assessed against any excess wheat produced on a farm. When the penalty is paid or the excess wheat is stored or delivered to the Secretary of Agriculture in accordance with regulations, the producer is free to market his wheat as he chooses. The grower of excess wheat is not eligible for price support on his wheat.

All States are designated as "commercial wheat States" for 1956 except Alabama, Arizona, Connecticut, Florida, Louisiana, Mississippi, Massachusetts, Maine, New Hampshire, Nevada, Rhode Island, and Vermont. Wheat acreage allotments and marketing quotas will not be in effect for these "noncommercial wheat states."

## **The Supply Situation**

Current estimates are that over 1.86 billion bushels of wheat will be available for the marketing year beginning July 1, 1955. More than a billion bushels of the total supply will be carried over from previous crops. The total supply, including the 1955 crop, will be enough to meet our current needs for domestic use and exports

for the next 2 years and is 66 percent above the "normal supply" prescribed in the controlling legislation. The law requires the Secretary of Agriculture to proclaim marketing quotas and hold a referendum when the total supply of wheat exceeds the normal supply by more than 20 percent.

Domestic use and exports of wheat for the marketing year beginning July 1, 1955 are estimated at a little over 900 million bushels. With average yields, a national wheat acreage allotment of 55 million acres would produce about 850 million bushels.

## **Who Can Vote**

Any wheat producer in commercial wheat States who will be subject to marketing quotas is eligible to vote in the referendum. Farmers who have farm wheat allotments of 15 acres or less are eligible to vote if they will have more than 15 acres of wheat for harvest as grain in 1956.

## **When and Where to Vote**

Wheat quota referendum date—June 25, 1955.

Local voting places will be established and announced for each county where wheat is grown in commercial wheat States.

Get information on local voting places, hours of voting, locally eligible voters, and program details from the county Agricultural Stabilization and Conservation Office, or from county or community ASC committeemen.

**BEFORE VOTING IN THE REFERENDUM  
WHEAT FARMERS SHOULD STUDY THE  
SITUATION CAREFULLY AND MAKE  
THEIR DECISION WITH FULL UNDER-  
STANDING. IT'S THEIR DECISION—AND  
IT IS AN IMPORTANT ONE.**

**U. S. DEPARTMENT OF AGRICULTURE**

**Commodity Stabilization Service**

**Washington, D. C.**

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